

## Message Text

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PAGE 01 STATE 060549  
ORIGIN SP-02

INFO OCT-01 ARA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-10 INT-05  
L-03 NSAE-00 OMB-01 PM-05 OES-07 SS-15 STR-07  
TRSE-00 ACDA-12 AF-10 EA-10 EUR-12 NEA-10 IO-13  
NSCE-00 SSO-00 USIE-00 INRE-00 /161 R

DRAFTED BY S/P:THMORAN

APPROVED BY S/P:ALAKE

NSC - MR. PASTOR

DOE - MR. VANDERRYN

ARA - MR. BOUTIN

OES - MR. PROCHNIK

EB - MR. HART

-----034697 091622Z /23

O 091558Z MAR 78

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE

AMCONSUL SAO PAULO IMMEDIATE

C O N F I D E N T I A L STATE 060549

E.O. 11652: GDS-1

TAGS: ENRG, OTRA

SUBJECT: ENERGY COOPERATION

1. SUMMARY. A PROPOSAL FOR COOPERATION IN ENERGY RESEARCH AND DEVELOPMENT WITH BRAZIL HAS BEEN APPROVED WHICH (DEPENDING UPON BRAZILIAN REACTIONS) COULD BE ANNOUNCED DURING THE PRESIDENT'S VISIT. TWO REPRESENTATIVES FROM STATE AND DOE WILL BE IN BRASILIA MARCH 12-15 TO DISCUSS THE PROPOSAL WITH BRAZILIAN OFFICIALS.

2. AN INTERAGENCY STUDY IDENTIFIED EIGHT POSSIBLE AREAS  
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FOR TECHNICAL COOPERATION IN ENERGY RESEARCH AND DEVELOPMENT WITH BRAZIL. WE HAVE BEEN AUTHORIZED TO DISCUSS WITH THE BRAZILIANS A JOINT PROGRAM INVOLVING BIOMASS (LEADING TO A DEMONSTRATION PROJECT FOR ALCOHOL), COAL GASIFICATION AND LIQUEFACTION, HIGH VOLTAGE ELECTRICAL TRANSMISSION, PLUS TECHNICAL COOPERATION IN ADVANCED GEOLOGICAL ANALYTIC TECHNIQUES. ADDITIONAL OPTIONS INCLUDE HYDROGEN,

SOLAR, OCEAN THERMAL, AND COAL MINING AND PROCESSING. THE INITIATIVE WAS APPROVED WITHIN THE CONSTRAINTS THAT IT SHOULD NOT REQUIRE LARGE NEW FUNDING, SHOULD BE FINANCED ON A RECIPROCAL BASIS BY THE BRAZILIANS, AND SHOULD PROVIDE BENEFITS TO BOTH BRAZIL AND THE US. WE ARE WILLING TO

SPEND APPROXIMATELY TWO MILLION DOLLARS ON OUR SIDE OF THE PROGRAM THROUGH FY 1979.

3. ACTION REQUESTED: AS SUGGESTED IN PHONE CONVERSATION WITH GOECKERMAN, PLEASE ARRANGE APPOINTMENTS ON MARCH 13 THRU 15 WITH APPROPRIATE BRAZILIAN OFFICIALS FOR TED MORAN (S/P) AND JACK VANDERRYN (DIRECTOR OF INTERNATIONAL PROGRAMS, DOE). THE EMBASSY SHOULD INDICATE THAT THE REASON FOR THE APPOINTMENTS IS TO DISCUSS IDEAS FOR US-BRAZILIAN ENERGY COOPERATION AS MENTIONED IN FONMIN SILVEIRA'S LETTER OF FEBRUARY 28. IF, IN YOUR OPINION, IT WOULD BE EFFECTIVE RATHER THAN COUNTERPRODUCTIVE, THE RATIONALE FOR THESE APPOINTMENTS COULD BE FURTHER DESCRIBED AS BEING TO EXPLORE ISSUES IN ENERGY COOPERATION THAT COULD BE RAISED DURING THE PRESIDENT'S VISIT. THE APPOINTMENTS WITH BRAZILIAN OFFICIALS SHOULD TAKE PLACE AT THE POLICY LEVEL TO CLARIFY HOW THE BRAZILIANS WILL REACT TO THIS PROPOSAL, HOW IT MIGHT BE FITTED WITH OTHER THEMES DURING THE PRESIDENT'S VISIT, AND WHETHER THE BRAZILIANS WILL BE WILLING TO PROVIDE RECIPROCAL FUNDING. APPOINT-  
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MENTS SHOULD ALSO TAKE PLACE AT THE TECHNICAL LEVEL TO DETERMINE HOW THE BRAZILIANS WILL REACT TO THE SPECIFIC MIX OF AREAS PROPOSED FOR ENERGY COOPERATION, AND WHAT THE NEXT STEPS SHOULD BE TO ESTABLISH THE JOINT PROJECTS.

4. MORAN AND VANDERRYN WILL ARRIVE IN BRASILIA ON VARIG 200 AT 11:05 A.M., MARCH 12. WE WOULD APPRECIATE HOTEL ACCOMMODATIONS MARCH 12 THRU 14.

5. FOR SAO PAULO, PLEASE ARRANGE ACCOMMODATIONS FOR MORAN MARCH 15 THRU 17 TO PARTICIPATE IN THE SYMPOSIUM "ENERGY AND DEVELOPMENT IN THE AMERICAS" AT HOTEL CASA GRANDE, GUARJA, SANTOS, ARRIVING VARIG 281 AT 8:15 P.M., MARCH 15.

6. APPRECIATE A CAR TO MEET IN BRASILIA AND SAO PAULO.  
VANCE

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ENERGY, RESEARCH & DEVELOPMENT AGREEMENTS, VISITS, TECHNOLOGICAL EXCHANGES  
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**Draft Date:** 09 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Review Markings:**  
Sheryl P. Walter  
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